

Message Text

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TO USMISSION USUN NEW YORK IMMEDIATE

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TAGS:AORG, UN

SUBJECT: FIFTH COMITE: REPORT OF UN JOINT STAFF PENSION
BOARD

1. CONCLUSION AND RECOMMENDATIONS OF ACABQ (DOCUMENT
A/9879) AND PROPOSALS OF JOINT STAFF PENSION BOARD
(DOCUMENT A/9609) ON ADJUSTMENT OF PENSIONS ARE NOT
SUFFICIENTLY WELL-REASONED TO ENABLE US TO SUPPORT. THERE
ARE SO MANY ASPECTS THAT WE DO NOT UNDERSTAND, AND WE
DOUBT OTHER DELEGATIONS UNDERSTAND, THAT WE CONCLUDE A
DECISION BASED ON DOCUMENTS AVAILABLE WOULD BE PREMATURE.

A. HOW CAN A SYSTEM OF DOUBLE COUNTING (PENSIONABLE
REMUNERATION ADJUSTED BY WAPA INDEX AND PENSION ADJUSTMENT
BASED ON CPI) BE JUSTIFIED?

B. HOW CAN A PROPOSAL TO ADOPT THE OPTIONAL WAPA/CPI
SYSTEM ON A TEMPORARY BASIS, SUBJECT TO REVIEW IN 1976 AS
SUGGESTED BY ACABQ IN PARA 22 OF ITS REPORT, BE JUSTIFIED?
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SEE PARA 39 OF JSPB REPORT RE INHERENT PERMANENCY OF TEMPORARY ADJUSTMENTS.

C. WHAT ARE THE ACTUARIAL IMPLICATIONS IN VIEW OF THE CURRENTLY ESTIMATED 5L MILLION DOLLAR DEFICIT, THE COSTS OF THE INCREASED BENEFITS, AND THE APPARENT LOSSES ON

INVESTMENTS IN LAST TWO YEARS? THE US CANNOT SUPPORT INCREASES IN BENEFITS WHICH CANNOT BE FUNDED BY PENSION FUND OVER THE LONG RUN.

2. YET WE RECOGNIZE THE PLIGHT OF SOME PENSIONERS WHOSE PENSIONS HAVE BEEN REDUCED IN REAL VALUE. WE ALSO MINDFUL THAT OTHER PENSIONERS HAVE RECEIVED WINDFALL INCREASES AS RESULT OF AD HOC ADJUSTMENTS APPROVED BY GA.

3. PENDING FURTHER STUDY BY JSPB, AND 1975 EVALUATION OF PENSION FUND US COULD SUPPORT AD HOC ADJUSTMENTS TO PROVIDE RELIEF TO THOSE PENSIONERS WHOSE PURCHASING POWER HAS DECLINED SIGNIFICANTLY DUE TO CURRENCY EXCHANGE RATE CHANGES AND INFLATION, PROVIDED SUCH AD HOC ADJUSTMENTS ACTUARIALLY CAN BE FINANCED FROM PENSION FUND.

4. IN LIGHT FOREGOING, WE BELIEVE PROPOSALS BEFORE COMMITTEE SHOULD BE DEFERRED FOR FURTHER STUDY IN ACCORDANCE WITH ACABQ REPORT PARA 20. IF NOT POSSIBLE TO DEFER USDEL SHOULD ABSTAIN UNLESS WE WOULD BE IN GOOD COMPANY WITH NEGATIVE VOTE. KISSINGER

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